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**United States and European Union Conclude Joint Action Plan
for the Transatlantic Economic Partnership**

United States Trade Representative Charlene Barshefsky announced today that the United States and the European Union (EU) agreed to a joint action plan to implement the Transatlantic Economic Partnership (TEP) initiative. The Transatlantic Economic Partnership was first launched at the US-EU summit in London in May 1998 and has the potential to stimulate tens of billions of dollars in transatlantic trade.

“The Transatlantic Economic Partnership represents a concrete breakthrough to expand U.S. - EU trade across goods, services, and agriculture. The “action plan” that we have reached is an important milestone toward a more open, more constructive trade relationship between the United States and the European Union. In eight key areas including services, agriculture, government procurement, intellectual property, technical barriers to trade, environmental issues, labor concerns, and competition policy, we've created an agenda to address immediate trade issues and provide practical solutions. Our cooperation in the Transatlantic Economic Partnership will provide a foundation for progress for the multilateral trading system at a time of global economic uncertainty.”

Barshefsky's announcement came as the EU's General Affairs Council, consisting of member state foreign and trade ministers, on November 9 formally approved the joint action plan text finalized by U.S. and EU negotiators during the week of November 2. The Council at the same time approved negotiating directives that will permit the European Commission to undertake negotiations with the United States in a number of Transatlantic Economic Partnership action areas.

The Transatlantic Economic Partnership action plan outlines activities to be pursued in all sections of the May 18 Transatlantic Economic Partnership Summit statement. The United States and the European Union can now begin to implement Transatlantic Economic Partnership's program of consultation and negotiation. Specific target dates are established for each activity under the

bilateral activities section of the plan, most of which will fall in 1999.

In the area of standards and regulatory cooperation, for example, the United States and the EU commit to identify by the end of 1998 a first group of sectors in which to begin negotiation of new Mutual Recognition Agreements. The two sides also will begin talks on mutual recognition for engineers and will select other services sectors on a rolling basis. In agriculture, the action plan will address issues involving biotechnology, food safety, and animal and plant health.

The attached fact sheet provides further details of the action plan.

The Transatlantic Economic Partnership joint action plan and the fact sheet are available in the USTR Reading Room (call 395-6186 to schedule an appointment). The joint action plan and fact sheet texts also can be accessed via the Internet on USTR's website at <http://www.ustr.gov>.

TRANSATLANTIC ECONOMIC PARTNERSHIP

U.S.-EU Joint Action Plan Fact Sheet

The U.S.-EU commercial relationship is the largest and most integrated in the world. U.S. and EU leaders decided to expand and deepen this huge trade and investment relationship when they adopted the Transatlantic Economic Partnership (Transatlantic Economic Partnership) initiative at the May 1998 U.S.-EU Summit. The joint Summit statement on the Transatlantic Economic Partnership released by the leaders established the broad multilateral and bilateral areas for U.S.-EU negotiation and cooperation under the initiative, and called for a plan to set specific actions and target dates for achieving results.

The Transatlantic Economic Partnership Joint Action Plan concluded in November 1998 calls for consultations and/or negotiations under each of the Transatlantic Economic Partnership's main areas, summarized below. Under the Bilateral Activities section of the action plan, most target dates are set for the end of 1999 or earlier.

Multilateral

- ▶The U.S. and EU will provide the leadership to drive further multilateral trade liberalization under the World Trade Organization (WTO) through regular meetings in preparation for the 1999 WTO Ministerial in the United States and for the subsequent multilateral negotiations. Both sides will at the same time continue close involvement with their other trading partners.
- ▶In order to improve our citizens' understanding and perception of the WTO, the U.S. and EU will promote greater openness of WTO proceedings and the release of documents.
- ▶The U.S. and EU will try to adopt common approaches in the review of the WTO's Dispute Settlement Understanding, particularly to improve transparency of the process and the functioning of dispute panels.
- ▶The U.S. and EU will work to ensure full implementation of WTO commitments by all WTO Members.
- ▶The U.S. and EU have committed to specific cooperative activities under the WTO's built-in agenda of negotiations. The two sides will work together to lay the foundation for successful negotiations in services, intellectual property rights and agriculture. The action plan includes an annex describing in greater detail the multilateral agenda the two sides intend to pursue with respect to services.
- ▶The U.S. and EU will continue their efforts to conclude successfully before the end of 1998 the ongoing work in the WTO regarding pharmaceuticals and ITA II. They will also work together to lay the analytical groundwork for consideration in the WTO of further industrial tariff reduction and possible eventual elimination.
- ▶With respect to other WTO issues, the U.S. and EU will cooperate on the full implementation

and enforcement of TRIPs by developing countries, press for improving multilateral rules on procurement and expanding participation in the Government Procurement Agreement, and cooperate in the areas of investment, competition, electronic commerce, trade and the environment, core labor standards, and the accession of candidate countries to the WTO on commercially viable terms.

►The two sides will review progress in their discussions on all multilateral issues, initially by the end of 1998 and subsequently at regular intervals.

Bilateral

Technical Regulatory Barriers

►Keeping in mind their shared commitment to maintaining high levels of health, safety and the environment, the U.S. and EU will take specific steps to improve regulatory cooperation, including enhancing transparency and public participation in, and developing guidelines for, their respective regulatory procedures. The two sides also will work - again in light of the above shared commitment - to remove or substantially lower barriers resulting from any additional or different regulatory requirements existing in one party vis a vis the other.

►The U.S. and EU will extend the existing U.S.-EU Mutual Recognition Agreement to new sectors, and consider whether negotiating other types of arrangements might lower barriers. The U.S. and EU will also cooperate more closely in the field of international standardisation to determine whether greater use could be made of mutually agreed international standards when developing domestic regulatory requirements.

►The U.S. and EU will explore whether we can improve the activities and role of private sector standards bodies in determining domestic standards.

Services

►The U.S. and EU will work together to further liberalize their two services markets and to pave the way for WTO services negotiations. The two sides also will try to ensure that any new policies do not have an adverse impact on business conditions for service providers.

►The two sides will negotiate a framework of general principles and objectives to serve as a model for the negotiation of mutual recognition agreements on specific services sectors to address the commercial interests of U.S. and EU services suppliers. The U.S. and EU will work together to consider complementary steps to eliminate market access restrictions and to establish disciplines in sectors where this is needed in order to generate new business opportunities.

Government Procurement

►Keeping in mind national constraints, the U.S. and EU will explore possibilities for the balanced expansion of market access opportunities for their companies in each other's procurement markets. The two sides will in particular enhance the level of their cooperation to ensure compatibility between each other's electronic procurement notification and tendering systems.

Intellectual Property

►Building on the WTO TRIPs Agreement, the U.S. and EU will work together to improve further the protection of intellectual property.

►Short-term priorities the two sides will pursue include reducing the costs of patent protection, clarifying on a bilateral basis various aspects of the WIPO Copyright treaties and joining the Madrid Protocol concerning trademarks.

►Over the longer term, the United States and the EU will discuss the EU's single trademark requirement, ways of assuring patent protection for computer programs, and enhancing the enforcement of intellectual property rights.

Agriculture: Food Safety, Plant and Animal Health and Biotechnology

►U.S. and EU interagency food safety contact points (the latter to be established shortly) will communicate regularly to, inter alia, keep officials informed of food safety developments in the other's pipeline and facilitate where relevant objective dialogue between scientific experts on the two sides.

►The U.S. and EU will work towards an arrangement under which US and EC officials from the respective scientific and technical agencies would participate in exchange programmes to become more familiar with their counterparts' respective food safety systems regarding inspection and control procedures.

►In the interests of safety and transparency, the EU and the US will develop ways for enforcement agencies to cooperate on dangerous food products and will review the possibility that the US and EU rapid alert systems regarding dangerous food could be interconnected.

►The U.S. and EU will examine the possibility of establishing a link between the American Risk Assessment Consortium and the European side in order to exchange information, views and scientific comments about development of new risk assessment methodology.

►The U.S. and EU will strengthen their bilateral dialogue in the sector of biotechnology. In particular, the two sides will establish an over-arching group which will monitor the dialogue on various technical issues carried out in existing groups concerned with biotechnology matters (taking into account the potential trade effects of those issues with a view toward reducing unnecessary barriers to trade) and will seek to increase and enhance scientific and regulatory cooperation and information exchange and promote transparency and information for consumers.

►The biotechnology group, while not replacing or duplicating any existing governmental organizations, will include participants from existing groups and will take into account the views of interested parties.

►As an early step towards accelerating the regulatory process surrounding biotechnology products, the U.S. and EU will consider the possibility of a pilot project to encourage simultaneous applications for scientific assessments in the United States and an EU member state.

Environment

►The U.S. and EU will establish a Transatlantic Economic Partnership Environment Group, to discuss and negotiate a joint environment workplan focusing on the interface between trade and environment. The work of the Group will cover, inter alia, developing common objectives on trade and environment, promoting greater co-operation between US and European scientists and regulators on trade-related environment issues, informing Transatlantic Economic Partnership trade negotiators on health, safety and environmental aspects of their respective areas of responsibility, and developing common approaches to trade-related issues which arise with respect to multilateral environmental agreements.

►The U.S. and EU support the formation of a Transatlantic Environment Dialogue (TAED) involving a broad spectrum of environmental NGOs to inform governments on both sides on environmental issues, including those related to the Transatlantic Economic Partnership process.

Labor

►The EU and the US will exchange views regarding the implementation of the worker rights provisions of their respective GSP schemes.

►The U.S. and EU will further support the process of transatlantic dialogue between employers, workers and NGOs on voluntary codes of conduct begun in Brussels in February 1998 and scheduled to continue at a meeting in Washington, DC in December 1998.

►U.S. and EU governments will continue their dialogue with respectively the US business and labor advisory groups and the EU social partners to solicit their ideas for additional transatlantic labor related projects. The two sides will co-sponsor a joint meeting with the Transatlantic Labor Dialogue (TALD) to lay a foundation for further understanding of the labor issues related to the Transatlantic Economic Partnership.

►The U.S. and EU will step up their commitments to fund the ILO's International Program for the Elimination of Child Labour (IPEC) to help eliminate abusive child labor.

Consumers

►The Transatlantic Consumer Dialogue (TACD), launched in September 1998, will also feed into the Transatlantic Economic Partnership process.

Competition Law Procedures

►The U.S. and EU will give priority to applying the Positive Comity Agreement, concluded in 1998, to concrete cases, demonstrating that this instrument has a valuable practical content. The two sides will continue to explore possibilities for further cooperation in the implementation of their respective competition laws.

Electronic Commerce

►The U.S. and EU will further review and discuss various items under the joint US-EU Summit statement on electronic commerce of December 1997 including elimination of unnecessary legal and regulatory barriers, promotion of voluntary standards to enhance interoperability, innovation

and competition; and continued duty-free treatment of electronic transmissions.

►The two sides will initially focus on carrying out specific actions on trade facilitation (e.g., harmonisation of protocols and customs data elements for customs entry purposes).

Transatlantic Economic Partnership Organisational and Procedural Framework

►With respect to procedures to be followed in carrying out the Transatlantic Economic Partnership initiative, the U.S. and EU will take as their point of departure existing structures put in place under the 1995 New Transatlantic Agenda (NTA) initiative.

►Cabinet-level meetings and an official-level Transatlantic Economic Partnership steering group (established within the institutional structure of the NTA) will be the principal bureaucratic mechanisms for giving the Transatlantic Economic Partnership process the overall political and technical momentum it will require to produce the greatest results. Cabinet principals and subsidiary bodies will report to the twice-yearly U.S.-EU Summits for ultimate political guidance.

►The U.S. and EU will give active and full support to the current efforts of the U.S. Congress and the European Parliament to increase their cooperation on Transatlantic Economic Partnership-related issues and to contribute to the Transatlantic Economic Partnership process.